

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: Wholesale Outlet  
DOCKET NO.: 05-21812.001-C-1  
PARCEL NO.: 28-25-100-034-0000

The parties of record before the Property Tax Appeal Board are Wholesale Outlet, the appellant, by attorney Aron Bornstein, Chicago, and the Cook County Board of Review.

The subject property consists of an owner occupied 26,950 square foot parcel improved with a 36-year-old, one-story style commercial building of masonry construction containing 1,351 square feet of building area. Contained in the subject building is a small finished air conditioned office space. The building has two drive-in service bays. The subject is located in Bremen Township.

The appellant, through counsel, appeared before the Property Tax Appeal Board claiming the subject is overvalued and its market value is not reflected in the assessment. In support of this argument, the appellant offered a summary appraisal report prepared by Christopher Nickell of Fuhrer Associates, North Riverside. Mr. Nickell did not appear at the hearing. The report disclosed Nickell is a State of Illinois certified appraiser.

After inspecting the subject site, building, neighborhood and area, the report indicated the appraiser determined the subject's highest and best use as improved, its current use.

The appraisal described the utilization of the three classic approaches to value to estimate a value for the subject of \$175,000 as of January 1, 2005.

In the cost approach, the appraiser based the replacement cost estimate on currently published labor and material prices

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	\$	46,084
IMPR.:	\$	20,416
TOTAL:	\$	66,500

Subject only to the State multiplier as applicable.

substantiated by various local and national indicators and the Cook County Assessor's Cost Manual. Replacement cost was estimated to be \$62.10 per square foot of building area, or \$85,388. Accrued depreciation was estimated to be 40%, or \$34,155 resulting in a depreciated replacement cost of \$51,233 for the major improvement. In the report, the appraiser noted that he agreed with and accepted the assessor's land value of \$121,274, which he added to the subject's estimated depreciated cost new resulting in an estimated value for the subject of \$173,000, through the cost approach.

The appraiser selected the sales of three commercial buildings located in areas similar to the subject's general area. These properties consist of one-story masonry constructed commercial buildings ranging from 18 to 40 years old and in size from 1,600 to 1,712 square feet of building area. The comparable properties sold from June 2002 to September 2003 for prices ranging from \$93.45 to \$127.81 per square foot of building area including land, unadjusted. The appraiser analyzed the sales of the comparables and adjusted them for market activity, size, age, location, condition, desirability and utility. From this information, the appraiser determined an estimated value of \$127.00 per square foot of building area including land. Thus, the appraiser estimated a market value of \$175,000, rounded, for the subject through the sales comparison approach to value.

The final approach to value in the appraisal was the income approach to value. The appraiser surveyed rental properties in order to project a net annual income applicable for the subject. The surveyed properties had net rents ranging from \$2,000 to \$4,000 per month. Based on the assembled data, the appraiser reported \$4,000 per month, or \$48,000, as a reasonable gross annual rent for the subject. Expenses of 20% of the estimated rent, or \$9,600, was deducted from the estimated gross annual rent to conclude a net operating income (NOI) of \$38,400. An estimated overall capitalization rate of 10% was added to an effective tax rate of 12.4% to established 22.4% as a total capitalization rate. The total capitalization rate was then applied to the NOI, to estimate a value for the subject via the income approach to value of \$171,000.

After analysis of the three approaches to value, the appraiser opined the subject's a fair market value as \$175,000, or \$127.00 per square foot of building area including land, as of January 1, 2005.

Based on the appraisal evidence, the appellant requested a reduction in the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$76,995 was

disclosed. The subject's final assessment reflects a fair market value of \$202,513, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject is applied. In support, the board of review offered a memorandum indicating the sales of three properties suggests an unadjusted range of from \$293.57 to \$397.06 per square foot of building area. Further, the memo's author suggested that income generated for a building such as the subject would range from \$7.00 to \$25.00 per square foot, expenses would range from 10% to 25% and a capitalization rate would be 9.5%. The author indicated that the income information was based on surveys conducted by the Cook County Assessor's Office. Sales sheets compiled by the Cook County Assessor's office for the three comparables were offered in support. Two of the properties are nationally affiliated gasoline stations and one is a restaurant. The comparable properties were 21 and 17 years old with no age noted for the restaurant. The comparables range in size from 1,600 to 2,100 square feet; and in land size from 25,003 to 48,465 square feet. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, when overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3<sup>rd</sup> Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2<sup>nd</sup> Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. Section 1910.65 *The Official Rules of the Property Tax Appeal Board* (86 Ill.Adm.Code §1910.65(c)). Having heard the testimony and considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board finds that the best evidence in the record of the subject's fair market value as of January 1, 2005 is the appraisal report submitted by the appellant. The appellant used three approaches to value to estimate a market value for the subject. In each approach, the appraiser analyzed and documented his adjustments and conclusions. In contrast, the board of review only presented raw sales data sheets prepared by the Cook County Assessor's Office without adjustments or analysis of the comparables and their comparability to the subject. Therefore, the Property Tax Appeal Board places significant weight on the appellant's appraisal and substantially

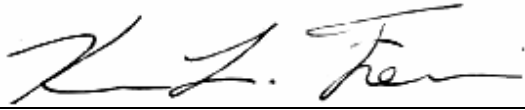
less weight on the board of review's sale comparables. As a result of this analysis, the Property Tax Appeal Board finds the appellant has adequately demonstrated that the subject is overvalued by a preponderance of the evidence.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$175,000, as of January 1, 2005. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5a properties such as the subject shall apply and a reduction is accordingly warranted.


This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member



Member



Member

DISSENTING: \_\_\_\_\_

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: January 25, 2008



Clerk of the Property Tax Appeal Board

**IMPORTANT NOTICE**

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing

complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.